Tabacco consumption has been declining in the developed countries while consumption is forecast to rise in developing countries.

Due to sharp increase in production world over large carry-over stocks are reportedly lying with international merchants. Owing to slack demand prices have dropped significantly in many countries in 1993.

To avoid marketing problems some major FCV tobacco producing countries like Brazil, Zimbawe and India have decided to bring down the production in 1993-94.

(b) Tobacco Board has decided to reduce the production of FCV tobacco in Andhra Pradesh/Maharashtra in 1993-94 to about 68 M. kgs as against 103 M. kgs authorised in 1992-93. In Karnataka, crop size is fixed at 21 M. kgs for 1993-94, i.e. at the same level as that of 1992-93 season.

Tobacco Board has been making efforts to promote exports by sending trade delegations to existing and new markets, by participating in international trade fairs, improving the quality of FCV tobacco, encouraging exports of cigarettes and other tobacco products etc.

U.S. Government to Restrict Tobacco Import

335. DR. YELAMANCHILI SIVAJI: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that tobacco growers in USA. are pressurising U.S. Government to restrict import of tobacco;

(b) whether it is, also a fact U.S. Congress passed a legislation to limit tobacco imports;

(c) if so, what has been its impact either directly or indirectly on domestic prices of F.C.V. tobacco; and

(d) what steps are being taken to overcome this crsis?

THE MINISTER OF COMMERCE (SHRE PRANAB MUKHERJEE): (a) and (b) The U.S. Senate has incorporated a new provision in its version of the Omnibus Reconciliation Act of 1993 according to which a minimum of 75% of the tobacco used by the U.S. companies in the manufacture of cigarettes during any calander year would have to be produced in the U.S.;

(c) and (d) The U. S. is not large market for India's tobacco accounting for about 1 percent of Indian tobacco exports.

It is too early to make an assessment of the impact of the U.S. measure on domestic prices;

Increase in Crop Size of Flue Cured Virginia (FCV) Tobacco

366. DR. YELAMANCHILI SIVAJI: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that Government of Andhra Pradesh as well as the Chief Minister requested to the Central Government for increasing the crop size of Flue Cured Virginia Tobacco and to reintroduce minimum export price;

(b) if so, what are the details thereof;

(c) what steps have been taken in this regard; and

(d) whether it is advantageous to the growers; if so, what are the reasons and details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION AND THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) to (d) The Tobacco Board had originally fixed a crop size of 52.68 M. kgs. for 1993-94 Andhra Pradesh/Maharashtra crop and declared a crop holiday for NBS & CBS regions. The State Government had brought to the notice of the Central Government the views of the affected farmers against the Board's decision. In view of the subsequent purchase commitments given by the tobacco